

COUNTY OF SHASTA
SINGLE AUDIT REPORT
JUNE 30, 2005

COUNTY OF SHASTA

Single Audit Report
For the Year Ended June 30, 2005

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Supervisors and Grand Jury
County of Shasta
Redding, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Shasta, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Shasta's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Board of Supervisors and Grand Jury
County of Shasta

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Shasta's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

October 21, 2005
Roseville, California

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Supervisors and Grand Jury
County of Shasta
Redding, California

Compliance

We have audited the compliance of the County of Shasta, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The County of Shasta's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Shasta's management. Our responsibility is to express an opinion on the County of Shasta's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Shasta's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Shasta's compliance with those requirements.

In our opinion, the County of Shasta complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Board of Supervisors and Grand Jury
County of Shasta

Internal Control Over Compliance

The management of the County of Shasta is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Shasta's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County of Shasta's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs which we have reported to management in a separate letter dated October 21, 2005.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, and business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Shasta as of and for the year ended June 30, 2005, and have issued our report thereon dated October 21, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Board of Supervisors and Grand Jury
County of Shasta

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

October 21, 2005
Roseville, California

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Cooperative Forestry Assistance:			
Cooperative Patrol	10.664	--	\$ 27,312
Cooperative Law Enforcement, Drug Suppression	10.664	--	23,910
Subtotal - CFDA 10.664			<u>51,222</u>
Watershed Protection and Flood Prevention	10.904	--	224,989
Subtotal Direct			<u>276,211</u>
Passed through State Department of Food and Agriculture:			
Glassy-Winged Sharpshooter Pierce's Disease Program	10.000	--	87,900
Pest Detection Trapping	10.000	--	55,808
Olive Fruit Fly Trapping	10.000	--	4,474
Shasta County Weed Eradication Project	10.000	--	13,459
Shasta County Agricultural Commissioner's Noxious Weed Eradication Project on CalTrans Right-of-Way Along Highway 151	10.000	--	5,365
Shasta County Agricultural Commissioner's Noxious Weed Eradication Project on CalTrans Right-of-Way on I-5 Corridor	10.000	--	10,788
Sudden Oak Death (SOD) Statewide Emergency Response	10.000	--	8,186
Subtotal Pass-Through			<u>185,980</u>
Passed through State Department of Education:			
National School Lunch Program	10.555	--	<u>280,638</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	880,295
Nutrition Network	10.561	--	357,172
Subtotal Pass-Through			<u>1,237,467</u>
Passed through State Department of Social Services:			
State Administrative Matching Grants for Food Stamp Program	10.561	--	1,399,454

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture (continued)</u>			
Passed through State Department of Social Services (continued):			
Food Stamps	10.551	--	\$ 14,770,619
Subtotal Pass-Through			<u>16,170,073</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	--	<u>2,018,738</u>
Total U.S. Department of Agriculture			<u>\$ 20,169,107</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the State Department of Housing and Community Development:			
Community Development Block Grant/State's Program	14.228 *	--	377,347
HOME Investment Partnership Program	14.239 *	--	813,031
Section 8 Housing Choice Vouchers	14.871	--	<u>2,640,895</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 3,831,273</u>
<u>U.S. Department of Interior</u>			
Direct Programs:			
Recreation Resource Management	15.225	--	<u>69,769</u>
Total U.S. Department of Interior			<u>\$ 69,769</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Local Law Enforcement Block Grant	16.592	--	24,852
Secure Our Schools	16.710	--	40,264
Domestic Cannabis Eradication/Suppression	16.579	--	9,167
National Crimes Victims Rights Week	16.575	--	<u>4,843</u>
Subtotal Direct			<u>79,126</u>
Passed through State Office of Emergency Services:			
Child Abuse Treatment Program	16.575	AT03030450	68,618
Child Abuse Treatment Program	16.575	AT04010450	81,929

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice (continued)</u>			
Passed through State Office of Emergency Services (continued):			
Victim Witness Assistance Program	16.575	VW04230450	\$ 33,226
Marijuana Eradication	16.579	MS04150450	245,361
Shasta Interagency Narcotic Task Force	16.579	DC04170450	261,003
Subtotal Pass-Through			<u>690,137</u>
Passed through State Board of Control:			
Integrated Justice System Document Availability	16.523	BDC 116-04	<u>29,421</u>
Total U.S. Department of Justice			<u>\$ 798,684</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	--	<u>589,378</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205 *	STPLH-5906	11,804
Highway Planning and Construction	20.205 *	RPSTPLE-5906	30,912
Highway Planning and Construction	20.205 *	BRLS-5906	41,955
Highway Planning and Construction	20.205 *	RPSTPL-5906	105,837
Highway Planning and Construction	20.205 *	BRLO-5906	482,236
Highway Planning and Construction	20.205 *	BRLS-5906	85,756
Highway Planning and Construction	20.205 *	BRLSZD-5906	1,294,006
Subtotal Pass-Through			<u>2,052,506</u>
Passed through State Regional Transportation Planning Agency:			
Highway Planning and Construction	20.205 *	--	<u>923,061</u>
Passed through Business, Transportation and Housing Agency:			
State and Community Highway Safety	20.600	--	<u>267,744</u>
Total U.S. Department of Transportation			<u>\$ 3,832,689</u>

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through Air Pollution Control Officers Association:			
EPA Particulate Monitoring 2.5	66.606	CAPCOA / X-999939-01-0	\$ 4,900
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	--	<u>95,438</u>
Total U.S. Environmental Protection Agency			<u>\$ 100,338</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Alcohol and Drug Programs:			
Safe & Drug-Free Schools & Communities	84.186	SDF03-02	<u>182,101</u>
Total U.S. Department of Education			<u>\$ 182,101</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Alcohol & Drug Prevention:			
Block Grants for Community Mental Health Services	93.958	--	263,313
Block Grants - Prevention & Treatment of Substance Abuse	93.959	--	<u>1,419,497</u>
Subtotal Pass-Through			<u>1,682,810</u>
Passed through the State Department of Mental Health:			
Projects for Assistance - Transition from Homelessness	93.150	--	<u>47,107</u>
Passed through State Department of Health Services:			
Preventive Health And Health Services Block Grant:			
Federal Health Incentive Program (314d)	93.991	--	2,901
Project LEAN (Leaders Encouraging Activity and Nutrition)	93.991	--	<u>8,085</u>
Subtotal CFDA 93.991			10,986
Medical Assistance Program:			
Children's Medical Services	93.778 *	--	316,965
Child Health and Disability Program (CHDP)	93.778 *	--	267,744
Medi-Cal Administrative Activities (MAA)	93.778 *	--	81,788

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Services (continued):			
Childhood Lead Poisoning Prevention Projects	93.197	--	\$ 25,497
Immunization Program	93.268	--	53,170
Bioterrorism Preparedness	93.283	--	492,105
Preventive Health Services-Research, Demonstrations, and Public Information and Education	93.978	--	40,000
Maternal Child Adolescent Health (MCAH)	93.994	--	262,991
Subtotal Pass-Through			<u>1,551,246</u>
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families:			
TANF, KINGAP, Diversion, Emergency Assistance Foster Care	93.558 *	--	9,804,923
Temporary Assistance for Needy Families - Emergency Assistance Foster Care	93.558 *	--	7,039,925
Temporary Assistance for Needy Families (Probation)	93.558 *	--	294,450
Subtotal CFDA 93.558			<u>17,139,298</u>
Foster Care - Title IV-E:			
Foster Care - Title IVE - CWS, Licensing, Foster Parent Training/Recruitment, Options for Recovery	93.658	--	2,744,747
Foster Care - Title IV-E - AFDC Foster Care, Wraparound Foster Care Placement	93.658	--	2,513,122
Foster Care - Title IV-E (Probation)	93.658	--	2,792,107
Foster Care - Title IV-E SB 933	93.658	--	21,517
Subtotal CFDA 93.658			<u>8,071,493</u>
Promoting Safe and Stable Families (PSSF)	93.556	--	251,894
Child Welfare Services Title IVB	93.645	--	136,400
Adoption Assistance	93.659	--	3,145,828
Child Welfare Services (CWS) Title XX - Licensing Title XX	93.667	--	189,547
Independent Living Program (ILP)	93.674	--	130,836
Medical Assistance Program - IHSS Public Authority	93.778 *	--	152,893
Subtotal			<u>4,007,398</u>
Subtotal Pass-Through			<u>29,218,189</u>

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U. S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	\$ 5,010,700
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	04F-4469	113,248
Community Services Block Grant	93.569	05F-4644	74,758
Subtotal CFDA 93.569			<u>188,006</u>
Total U.S. Department of Health and Human Services			\$ 37,698,058
<u>U.S. Corporation for National and Community Service</u>			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	--	125,858
Volunteers in Service to America	94.013	--	<u>21,368</u>
Total U.S. Corporation for National Community Service			\$ 147,226
<u>U.S. Department of Homeland Security</u>			
Direct Programs:			
Emergency Food and Shelter National Board Program	97.024	--	2,402
Emergency Management Performance Grants	97.042	--	11,155
Subtotal Direct			<u>13,557</u>
Passed through State Office of Emergency Services:			
State Domestic Preparedness Equipment Support Program:			
State Homeland Security (FY 03)	97.004	--	14,323
State Homeland Security Part II (FY 03)	97.004	--	337,865
State Domestic Preparedness (FY 02)	97.004	--	29,176
State Homeland Security (FY 04)	97.004	--	390,893
Subtotal CFDA 97.004			<u>772,257</u>

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Homeland Security (continued)			
Passed through State Office of Emergency Services (continued):			
Citizen Corps: Cert (Go Serve)	97.053	--	\$ 7,760
Fire Management Assistance Grant	97.046	--	60,069
Subtotal Pass-Through			<u>840,086</u>
Total U.S. Department of Homeland Security			<u>\$ 853,643</u>
Total Expenditures of Federal Awards			<u><u>\$ 67,682,888</u></u>

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Shasta. The County of Shasta’s reporting entity is defined in Note 1 to the County’s basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is sometimes prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements (such as cash basis). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County’s financial statements. Federal award revenues are reported principally in the County’s financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Shasta provided federal awards to subrecipients as follows:

<u>Federal CFDA</u>	<u>Subrecipient</u>	<u>Amount</u>
84.186	The Chemical People, Inc.	\$ 161,402
84.186	Youth Violence Prevention Council	4,265
93.150	Helpline	69,803
93.150	The Opportunity Center	77,635
16.575	New Directions to Hope	<u>120,012</u>
	Total	<u>\$ 433,117</u>

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 5: **Loans Outstanding**

The programs listed below had the following aggregate, federally-funded loans outstanding at June 30, 2005:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Outstanding</u>
14.239	HOME Investment Partnership Program	\$ 4,559,160
14.228	Community Development Block Grant/State's Program	<u>2,940,414</u>
	TOTAL	<u>\$ 7,499,574</u>

Note 6: **Program Clusters**

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Food Stamp Cluster:</u>		
10.551	Food Stamps	\$ 14,770,619
10.561	Nutrition Network	357,172
10.561	State Administrative Matching Grants for Food Stamp Program	<u>1,399,454</u>
	TOTAL	<u>\$ 16,527,245</u>

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 7: **Total Federal awards expended by CFDA Number**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards totals all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
10.561	\$ 1,756,626
16.575	188,616
16.579	515,531
20.205	2,975,567
93.778	819,390

Note 8: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or that the County was unable to obtain an identifying number from the pass-through entity.

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 9: **Office of Emergency Services Grants**

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2005. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2004	For the Year Ended June 30, 2005	Cumulative As of June 30, 2005	Federal Share	State Share	County Share
<u>VW04230450 - Victim Witness Assistance</u>						
Personal services	\$ --	\$ 63,896	\$ 63,896	\$ 33,226	\$ 30,670	\$ --
Operating expenses	--	14,294	14,294	--	14,294	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 78,190</u>	<u>\$ 78,190</u>	<u>\$ 33,226</u>	<u>\$ 44,964</u>	<u>\$ --</u>
<u>MS04150450 - Marijuana Eradication</u>						
Personal services	\$ --	\$ 237,132	\$ 237,132	\$ 237,132	\$ --	\$ --
Operating expenses	--	8,229	8,229	8,229	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 245,361</u>	<u>\$ 245,361</u>	<u>\$ 245,361</u>	<u>\$ --</u>	<u>\$ --</u>
<u>DC04170450 - Shasta Interagency Narcotic Task Force</u>						
Personal services	\$ --	\$ 185,365	\$ 185,365	\$ 185,365	\$ --	\$ --
Operating expenses	--	75,638	75,638	75,638	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 261,003</u>	<u>\$ 261,003</u>	<u>\$ 261,003</u>	<u>\$ --</u>	<u>\$ --</u>
<u>AT03030450 - Child Abuse Treatment</u>						
Personal services	\$ 43,781	\$ 28,086	\$ 71,867	\$ 22,469	\$ --	\$ 5,617
Operating expenses	170,311	57,686	227,997	46,149	--	11,537
Equipment	--	--	--	--	--	--
Totals	<u>\$ 214,092</u>	<u>\$ 85,772</u>	<u>\$ 299,864</u>	<u>\$ 68,618</u>	<u>\$ --</u>	<u>\$ 17,154</u>
<u>AT04010450 - Child Abuse Treatment</u>						
Personal services	\$ --	\$ 1,266	\$ 1,266	\$ 1,013	\$ --	\$ 253
Operating expenses	--	101,146	101,146	80,916	--	20,230
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 102,412</u>	<u>\$ 102,412</u>	<u>\$ 81,929</u>	<u>\$ --</u>	<u>\$ 20,483</u>

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 9: **Office of Emergency Services Grants** (continued)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2004	For the Year Ended June 30, 2005	Cumulative As of June 30, 2005	Federal Share	State Share	County Share
<u>VB04020450 - Vertical Prosecution</u>						
Personal services	\$ --	\$ 160,581	\$ 160,581	\$ --	\$ 160,581	\$ --
Operating expenses	--	13,570	13,570	--	13,570	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 174,151</u>	<u>\$ 174,151</u>	<u>\$ --</u>	<u>\$ 174,151</u>	<u>\$ --</u>

Note 10: **California Board of Corrections Grants**

The following represents expenditures for the California Board of Corrections (BOC) programs for the year ended June 30, 2005. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2004	For the Year Ended June 30, 2005	Cumulative As of June 30, 2005	Federal Share	State Share	County Share
<u>BDC 116-04 - Integrated Justice System Document Availability</u>						
Personal services	\$ -	\$ 11,990	\$ 11,990	\$ 8,721	\$ 3,269	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	20,700	20,700	20,700	-	-
Totals	<u>\$ -</u>	<u>\$ 32,690</u>	<u>\$ 32,690</u>	<u>\$ 29,421</u>	<u>\$ 3,269</u>	<u>\$ -</u>

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 11: **California Department of Justice Grants**

The following represents expenditures for California Department of Justice grant for the year ended June 30, 2005.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2004	For the Year Ended June 30, 2005	Cumulative As of June 30, 2005	Federal Share	State Share	County Share
<u>04SA11C032 - Spousal Abuser Prosecution</u>						
Salaries and benefits	\$ --	\$ 107,825	\$ 107,825	\$ --	\$ 64,699	\$ 43,126
Operational	--	4,247	4,247	--	1,833	2,414
Totals	<u>\$ --</u>	<u>\$ 112,072</u>	<u>\$ 112,072</u>	<u>\$ --</u>	<u>\$ 66,532</u>	<u>\$ 45,540</u>

Note 12: **California Department of Insurance Grants**

The following represents expenditures for California Department of Insurance grant for the year ended June 30, 2005.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2004	For the Year Ended June 30, 2005	Cumulative As of June 30, 2005	Federal Share	State Share	County Share
<u>Automobile Insurance Fraud</u>						
Salaries and benefits	\$ --	\$ 56,371	\$ 56,371	\$ --	\$ 56,371	\$ --
Services and supplies	--	5,616	5,616	--	5,616	--
Central service charges	--	4,225	4,225	--	4,225	--
Totals	<u>\$ --</u>	<u>\$ 66,212</u>	<u>\$ 66,212</u>	<u>\$ --</u>	<u>\$ 66,212</u>	<u>\$ --</u>
<u>Worker's Compensation Insurance Fraud</u>						
Salaries and benefits	\$ --	\$ 165,642	\$ 165,642	\$ --	\$ 165,642	\$ --
Services and supplies	--	22,397	22,397	--	22,397	--
Central service charges	--	11,858	11,858	--	11,858	--
Totals	<u>\$ --</u>	<u>\$ 199,897</u>	<u>\$ 199,897</u>	<u>\$ --</u>	<u>\$ 199,897</u>	<u>\$ --</u>

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

Section 1

<u>Financial Statements</u>	<u>Summary of Auditor's Results</u>
1. Type of auditor's report issued:	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Reportable conditions identified not considered to be material weaknesses?	None Reported
3. Noncompliance material to financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Reportable conditions identified not considered to be material weaknesses?	Yes
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)?	Yes
4. Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
14.228	Community Development Block Grant/State's Program
14.239	HOME Investment Partnership Program
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

Section 1 (continued)

Federal Awards

Summary of Auditor's Results

- | | |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 2,030,487 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.778	Finding 05-1
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COUNTY OF SHASTA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2005

Finding/Program

Findings/Noncompliance

Finding 05-1

Medical
Assistance
Program
CFDA 93.778

Award No. n/a
Year: 04/05

Criteria

In determining eligibility for the Medical Assistance Program, the County is required to have facts in the case record to support its eligibility determination and a written application, signed under penalty of perjury. The County must use these documents in determining eligibility and the Medi-Cal share of cost.

Condition

We tested 23 cases and observed three discrepancies between income as documented in the file and income as input into the ISAWS eligibility system. In one instance, an item of income was divided by twelve when the income was for part of the year, not the entire year. In the second instance, the employer and income documented in the file did not match the ISAWS input. Finally, in the third instance, unearned income as documented in the file did not match ISAWS input.

Questioned Costs

No costs are questioned because the errors did not affect eligibility.

Perspective

The particular errors located were small and did not change eligibility for any case tested. However, errors, such as occurred, could have had a monetary effect with higher income beneficiaries.

Effect of Condition

When income is not properly input into ISAWS, errors can occur both in determining eligibility and computing the share of cost. Such errors can result in payment of medical benefits to individuals who are not entitled to Medi-Cal benefits under the law.

Recommendation

We recommend that the Department review these errors and determine if a change in the internal control system could prevent future errors of

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

Finding/Program

Findings/Noncompliance

Finding 05-1

Medical
Assistance
Program
CFDA 93.778

Recommendation (continued)

this type. If modification of the internal control system is necessary, we recommend that the internal control system be accordingly modified.

Corrective Action Plan

Each of the audit cases was reviewed. The errors are as stated.

In the first case the Case Manager (CM) did not pay attention to the fact that the year to date income on the pay stub was for one month only and divided the figure by 12 to get the monthly income.

In the second case, the CM estimated the income based on an employment statement from the client, but it does not appear that they followed up with the income verification from the employer.

In the third case, there was a variance of income reported on MEDS. The INQX screen stated that the unearned income was one amount and the INQT screen stated that it was another amount. The worker should have requested further verification from Social Security as well as requested an annual IEVS report.

Providing regular refresher training in income verification and calculation can reduce the above-mentioned errors. This topic will be added to the schedule of monthly refresher trainings.

A memo will be sent to staff reminding them of income verification requirements and income calculation when using the year to date figure to determine a monthly average income amount.

The findings of this audit will be reviewed with supervisors so they will be cognizant of income issues when reviewing cases.

All redeterminations are audited 100% by either a supervisor or lead CM and reported income changes are audited on a random basis. These audits will continue.

The above described plan will be put in place immediately. The contact person for this project is Linda Barba. Her telephone number is 530/225-5033.

COUNTY OF SHASTA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2005

Audit Reference Number	Status of Prior Year Audit Findings
N/A	None reported

**SUPPLEMENTAL STATEMENTS
OF REVENUE AND EXPENDITURES**

COUNTY OF SHASTA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 04F-4469
 For the Period January 1, 2004 through December 31, 2004

	January 1, 2004 through June 30, 2004	July 1, 2004 through December 31, 2004	Totals	Total Budget
<u>Revenue</u>				
Grant Revenue	\$ 106,817	\$ 113,248	\$ 220,065	\$ 220,065
<u>Expenditures</u>				
Personnel Costs				
Salary and wages	\$ 15,873	\$ 22,040	\$ 37,913	\$ 37,469
Fringe benefits	4,898	8,734	13,632	14,630
Subtotal Personnel Costs	20,771	30,774	51,545	52,099
Non-Personnel Costs				
Travel	1,550	731	2,281	3,000
Space (rent/lease)	15,266	16,939	32,205	30,615
Consumable supplies	560	9,081	9,641	11,000
Contract services	18,694	95	18,789	20,000
Other costs	7,131	4,985	12,116	13,351
Subtotal Non-Personnel Costs	43,201	31,831	75,032	77,966
Program Costs				
Subcontractors	42,845	50,643	93,488	90,000
Total Costs	\$ 106,817	\$ 113,248	\$ 220,065	\$ 220,065

COUNTY OF SHASTA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 05F-4644
 For the Period January 1, 2005 through December 31, 2005

	January 1, 2005 through <u>June 30, 2005</u>	July 1, 2005 through <u>December 31, 2005</u>	<u>Totals</u>	<u>Total Budget</u>
<u>Revenue</u>				
Grant Revenue	\$ <u>74,758</u>	\$ <u>-</u>	\$ <u>74,758</u>	\$ <u>218,627</u>
<u>Expenditures</u>				
Personnel Costs				
Salary and wages	\$ 22,043	\$ -	\$ 22,043	\$ 43,851
Fringe benefits	<u>8,872</u>	<u>-</u>	<u>8,872</u>	<u>18,298</u>
Subtotal Personnel Costs	<u>30,915</u>	<u>-</u>	<u>30,915</u>	<u>62,149</u>
Non-Personnel Costs				
Travel	1,185	-	1,185	3,000
Space (rent/lease)	5,116	-	5,116	5,116
Consumable supplies	2,729	-	2,729	9,362
Contract services	(5,753)	-	(5,753)	30,000
Other costs	<u>8,566</u>	<u>-</u>	<u>8,566</u>	<u>29,000</u>
Subtotal Non-Personnel Costs	<u>11,843</u>	<u>-</u>	<u>11,843</u>	<u>76,478</u>
Program Costs				
Subcontractors	<u>32,000</u>	<u>-</u>	<u>32,000</u>	<u>80,000</u>
Total Costs	\$ <u>74,758</u>	\$ <u>-</u>	\$ <u>74,758</u>	\$ <u>218,627</u>

Note: The credit balance in contract services arose due to a credit received through the County cost plan for services provided by the Auditor, County Counsel, etc.